



U.S. Department of Justice

**Stephen J. Murphy
United States Attorney
Eastern District of Michigan**

*Suite 2001
211 West Fort Street
Detroit, Michigan 48226-3277
Fax: (313) 226-3561*

For Immediate Release:

Contact: Gina Balaya (313) 226-9193

August 3, 2006

EVENT: Guilty Plea

Defendant: Amjad M. Khan

**HOME HEALTH CARE OWNER PLEADS
GUILTY TO HEALTH CARE FRAUD**

The former owner of one of Michigan's largest home health care companies pleaded guilty to felony health care fraud charges today, United States Attorney Stephen J. Murphy announced today.

Amjad M. Khan, 63, of Troy, entered the guilty plea in United States District Court before Judge Nancy Edmunds.

Khan, a certified public accountant and former chief executive officer of American Home Health Care Inc. ("AHHC"), of Warren, admitted submitting fraudulent claims for non-reimbursable expenses to Medicare on a cost report and supporting documents filed in 1997 and 1998.

Khan was indicted in September 2003 in a 20-count Indictment. The indictment alleges that the Khan and his co-defendant, who ran another home health care company, committed mail fraud, wire fraud and health care fraud when their companies bilked Medicare out of more than \$2 million in fraudulent reimbursements, for such things as the salaries of spouses who

did no work and for wages to marketers, whose actual positions were misrepresented on eight cost reports filed between 1995 and 1999. The two companies, which in their prime during the 1990s had more than 200 employees, ceased doing business shortly after a search warrant was executed in March 2000 by agents for the FBI, the U.S. Department of Health and Human Services Office of Inspector General (HHS-OIG) and the Postal Inspection Service.

“Health care fraud is a silent tax forcing honest citizens and corporations to pay more for health insurance premiums and medical services than they should. It forces senior citizens to pay higher premiums and wastes dollars that could otherwise be spent taking care of the sick,” Murphy said. “My office is committed to bringing to justice anyone involved in ripping off Medicare and private health insurance companies and this investigation is an example of our efforts to stop these fraudulent practices.”

Joining Murphy in the announcement were Daniel Roberts, Special Agent in Charge, Federal Bureau of Investigation; Thomas Spokaeski, Assistant Special Agent in Charge, Health and Human Services, Office of Inspector General; Gregory Campbell, Inspector in Charge, U.S. Postal Inspection Service, and Gregory Anderson, Vice President, Corporate and Financial Investigations, Blue Cross Blue Shield of Michigan.

In his plea agreement, Amjad Khan did not admit the amount of fraud loss caused by his fraudulent billing. The government intends to argue that it is nearly \$1.5 million. A final ruling on that issue and the amount of restitution Amjad Khan owes Medicare and Blue Cross Blue Shield of Michigan will be left to Judge Edmunds to determine at a sentencing hearing scheduled for 9:30 a.m. October 27. Sentencing itself was scheduled for December 5, 2006.

The maximum punishment for health care fraud is 10 years in prison and a fine of \$250,000. Under the plea agreement, Khan can be sentenced to up to 41 months in prison.

In a separate civil suit, the United States seized more than \$650,000 worth of Khan's assets when he fled to Pakistan shortly after his Indictment. Those funds remain frozen and are subject to a False Claims Act lawsuit in which the United States is seeking treble damages of more than \$7 million. After his funds were attached in October 2003, Amjad Khan returned to the United States to face criminal charges. His home in Rochester Hills was recently sold

by Court order after he failed to make house payments on it as required under an agreement with the United States. He remains free on electronic tether but is not permitted to leave southeast Michigan.

The case is being prosecuted by Assistant United States Attorneys Paul Burakoff and James Mitzelfeld.